

Senate Bill 370 (Enrolled Bill Analysis)

Topic:	Seller Disclosure- Potential Allergens
Sponsor:	Senator Cameron Brown
Co-Sponsors:	Senators Hardiman, George, and Birkholz
Committee:	Senate Committee on Economic Development Small Business and Regulatory Reform House Regulatory Reform
Date Introduced:	April 12, 2005
Date Passed Senate:	June 22, 2005
Date of Analysis:	September 19, 2005
Position	Neutral

Problem/Background:

The media has brought attention to the suffering of homeowners whose homes have air or water quality issues, or unusually high levels of potential allergens, unknown to them when they purchased their homes. This bill would alert them to the possibility that these conditions could exist prior to purchase, and encourage them to obtain professional inspections to determine whether they exist. According to the legislative analyses, the Michigan Association of Realtors recommends that its members advise buyers to have their homes inspected for air and water quality problems, but is worried that buyers who do not use their members would not obtain this information.

Description of Bill:

The bill amends section 7 of the Seller Disclosure Act, MCL 565.957. It adds language that specifically recommends inspections of air and water quality as well as evidence of high levels of potential allergens, such as mold, mildew and bacteria. It allows the use of previous versions of the disclosure form until 90 days beyond the effective date of this revision, which is January 1, 2006. In addition, provisions were added to advise buyers that the disclosure statement is not a part of the contract with the seller, and that they may see a change in the amount of property taxes after the sale.

Arguments For:

This bill will add additional notices to homebuyers who may not otherwise know that they can have these kinds of services performed to protect themselves when making a home purchase.

Arguments Against:

There will be added costs to real estate licensees to reprint forms, distribute them, and may add additional costs to homebuyers for inspections that they really do not need, simply because a form recommends them. It adds another type of inspection, and legitimized the urgency of paying these costs to protect oneself, whether justified or not.

Supporters:

Michigan Association of Realtors

Opponents:

None known.

Fiscal/Economic Impact:

a) **Department:** None

Budgetary:

Revenue:

b) **State of Michigan:** None

c) **Local Government:**

d) **Other State Departments:** None

Other Pertinent Information:

There would be no impact upon administrative rules.